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# Interstate Department Stores, Inc.

ANNUAL REPORT 1929

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NEW YORK, N. Y.

FEBRUARY 28, 1930



# INTERSTATE DEPARTMENT STORES, Inc.

*New York, N. Y.*

*February 28, 1930.*

GENTLEMEN:—

We are pleased to submit herewith the profit and loss statement and balance sheet of this company for the year 1929, from which it is apparent that the business continues in excellent financial condition. In analysing these reports, your management wishes to point out the following facts:—

1. EARNINGS: During the year 1929 your company opened four units in excellent locations and also, as a constructive measure, removed two of the old stores into more favorable and larger premises in their respective cities. The cost of development incident to such changes, the opening of new units, the expenses incurred in connection with certain proposed mergers, all of which are of a non-recurring nature, naturally affected the net earnings for the year. However, considering the foregoing and the additional fact that on the 31st day of December, 1929, there was outstanding 24,811 more shares of the common stock than on the corresponding date of last year, the net earnings applicable to common stock (after deduction of dividends required on the preferred stock outstanding December 31st, 1929) were \$3.89 per share, sufficient to pay all of the dividend requirements and provide a substantial addition to the surplus.

2. INCREASE IN SALES: The sales of your company for 1929 show an increase of \$4,000,988.75 over those of 1928. Your management has concluded to adopt a policy for the year 1930 to obtain a larger percentage of net profit on each dollar of sales and steps necessary to accomplish this result have been put into effect.

3. RETIREMENT OF PREFERRED STOCK: During the year 1929, your company purchased out of its surplus \$500,000. of the par value of its outstanding preferred stock and action will be taken to retire the said shares of stock and to reduce the preferred stock capital of this company accordingly.

4. EARNINGS FOR THE CURRENT YEAR: With the additional constructive policies that have been effected and the new units acquired and developed during the year just passed, the management anticipates that the company should show substantial increase in earnings during the current year.

We will appreciate your attendance at the annual meeting of stockholders to be held on the 17th day of March, 1930, at two o'clock P. M., of which you have received notice, but in the event you cannot attend, please sign the proxy enclosed with notice of such meeting.

Very truly yours,

INTERSTATE DEPARTMENT STORES, INC.

By LEO G. FEDERMAN, *President.*



# INTERSTATE DEPARTMENT STORES, Inc.

## AND SUBSIDIARY COMPANIES

*Consolidated Balance Sheet as at December 31, 1929*

### ASSETS

#### CURRENT ASSETS

Cash on Hand and in Banks .....	\$ 584,890.90	
U. S. Liberty Bonds .....	133,899.80	
Marketable Securities—at cost .....	68,324.50	
Other Investments—at cost .....	6,230.93	
Accounts Receivable, Leased Departments, C. O. D.'s, etc. ....	303,790.94	
Due from Accounts Payable .....	40,675.41	
Employee's Loans Receivable .....	50,018.53	
Due from Officers .....	88,291.30	
Merchandise Inventories—At cost or market, whichever was lower, pricings and quantities vouched for by officials in charge .....	5,117,161.84	\$6,393,284.15

#### CAPITAL ASSETS

Land and Buildings .....	\$ 300,000.00	
Leaseholds .....	141,762.92	
Improvements to Leased Premises .....	342,372.05	
Furniture and Fixtures and Delivery Equipment .....	1,130,942.07	\$1,915,077.04
Less: Reserves for Depreciation and Amortization .....	399,314.94	1,515,762.10

#### SUNDRY ASSETS

.....		16,067.50
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#### DEFERRED ASSETS

Unexpired Insurance Premiums, Prepaid Rent, Taxes, Wages and Expenses. Pre-Opening Expenses and Supplies .....		254,418.84
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<b>TOTAL ASSETS</b> .....		<b>\$8,179,532.59</b>
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### LIABILITIES, CAPITAL AND SURPLUS

#### LIABILITIES

Accounts Payable, Accrued Wages, State and County Taxes, Rentals, Expenses, etc. ....	\$1,044,971.38	
Reserves for Federal Taxes .....	138,579.38	
Minority Stockholders' Equity .....	8,912.92	
Preferred Dividend Payable February 1, 1930 (after crediting same with dividend on stock held for retirement) .....	48,125.00	\$1,240,588.68

#### CAPITAL AND SURPLUS

PREFERRED STOCK—7% Cumulative—\$100 par .....	\$3,250,000.00	
Less: Amount held in Treasury for retirement .....	500,000.00	\$2,750,000.00
COMMON STOCK—Authorized 240,000 shares no par*		
Outstanding January 1, 1929 208,791 shares .....	\$1,043,955.00	
Issued during 1929 24,811 " .....	124,055.00	
Outstanding December 31, 1929 233,602 " .....		1,168,010.00
Capital Surplus—Balance January 1, 1929 .....	\$ 744,161.51	
Surplus arising from sale of 24,811 shares no par Common Stock ..	796,716.72	1,540,878.23

#### EARNED SURPLUS

Balance January 1, 1929 .....	\$1,005,694.11	
Net Profits 1929, after Preferred and Common Stock Dividends and Adjustments .....	474,361.57	1,480,055.68

<b>TOTAL CAPITAL AND SURPLUS</b> .....		<b>6,938,943.91</b>
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<b>TOTAL LIABILITIES, CAPITAL AND SURPLUS</b> .....		<b>\$8,179,532.59</b>
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\*4,444 Shares Common Stock, Reserved for Purchase Warrants outstanding, and attached to Preferred Stock.

### EARNINGS FOR YEAR DECEMBER 31, 1929

NET SALES .....	\$25,545,411.34
Cost of Sales, Operating Expenses, Depreciation (amounting to the sum of \$125,377.62) and losses .....	24,306,958.77
Net Income before Federal Taxes .....	\$ 1,238,452.57
Provision for Federal Taxes .....	136,579.03
Net Income for year ending December 31, 1929 .....	\$ 1,101,873.54
Preferred Dividends Paid—less amount received on Preferred Stock held for retirement .....	192,500.00
Net Income—after Preferred Dividends .....	\$ 909,373.54
Dividends Paid on Common Stock .....	465,376.50
Net Income—after all Dividends Paid .....	\$ 443,997.04
Add: Net Surplus Adjustments .....	30,364.53
Net Amount—Credited to Earned Surplus .....	\$ 474,361.57

*We have audited the books and accounts of the Interstate Department Stores, Inc. together with its Subsidiary Companies for the year ending December 31, 1929; and we certify that the above Balance Sheet and Summary of Earnings are in agreement with the books, and in our opinion the above Balance Sheet presents a true consolidated statement of the Interstate Department Stores, Inc. and its Subsidiary Companies, as at December 31, 1929.*

GOLDBERG, JACOBSON & CO.  
Certified Public Accountants.

Dated at New York, February 26, 1930.

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